

R E V I E W

O F

PARTICIPATION AND INVOLVEMENT

O F

CO-OPERATIVE FEDERATION OF VICTORIA

IN THE

VICTORIAN GOVERNMENT'S COMMUNITY EMPLOYMENT CO-OPERATIVES DEVELOPMENT PROGRAMME

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1. INTRODUCTION

At the outset, this Federation welcomes the response of the Minister to the Chairman's letter of 13th September 1982 on the subject of evaluation of the Community Employment Co-operative's Development Programme.

It is understood an outside evaluation by professional consultants is in process of being instituted in addition to the internal review being requested from participants in the programme.

It is as part of the internal review, proposed in the Minister's letter of 19th November 1982, that this submission is being made. Whilst the invitation was for the Federation "to submit views on the Co-operative Development Programme" the Council is of the opinion that the broad view of the Programme would fall within the terms of reference of the outside evaluation (agreed since the date of the Minister's letter). For this reason this submission is restricted to the role of the Co-operative Federation of Victoria in the Community Employment Co-operative Development Programme.

This review is supported by a paper evaluating the Programme as seen by the Employment Co-operative Development Business Unit of the Federation funded from the Programme.

Any part of the content of this paper may be used by the professional evaluator and/or the writer, Council members and Federation Staff are available to enlarge on any matters raised in the paper on which further information is sought.

Throughout this paper the descriptive term for the particular type of co-operative under discussion is Community Employment Co-operative. This is synonymous with the terms "Work Co-operative", "Industrial Co-operative", "Workers' Production Co-operative" in this context.

References to the Co-operative Development Programme all relate to the Community Employment Co-operative Development Programme.

2. BACKGROUND

Between December 1978 and April 1981 the Federation was in constant communication with the Victorian Government on the subject of the Government's job-creation - through Co-operative - development programme and offering assistance from the Federation's practical experience in the organisation and operation of Co-operatives.

Originally, responsibility for the programme was that of the Premier's Department administered by a sub-committee of the Victorian Employment Committee. This arrangement was at no time considered satisfactory by the Federation and by potential group participants in the scheme.

Following Federation meetings with relevant Ministers and the Premier and the subsequent formation of a new Ministry of Employment and Training a Co-operative Development Programme was devised by the Government to apply to Community Employment type Co-operatives. In April 1981 the Minister for Employment and Training formally announced the Victorian Government's proposals for implementing the Programme from which he envisaged funding would be available "for three years from the inception of the Programme"^{10(a)}

The proposals included:

1. Allocation of \$715,000 to the Programme for the period April 1981 to June 1982.
2. Employment of a Co-operative Business Adviser.
3. Development of education and training services for directors/members/workers of Co-operatives in the Programme.

3. THE PROGRAMME

The Ministry set the objectives of the Programme as:

- (i) establish viable new small scale business enterprises or employment generating modifications to existing businesses through work co-operative ventures;
- (ii) enhance the effective integration of the training and social resources required to provide for the long term viability of work co-operatives - and through these ventures to
- (iii) improve the economic well being and social conditions of those unemployed or facing difficulties in entering or re-entering employment;
- (iv) make use of unused or under-utilised community resources and
- (v) enhance the employability of participants in the programme.

The Ministry has imposed the following conditions to be accepted by Co-operatives accepting funding assistance under the Programme:

- (a) observe Co-operative Principles and Practice, maintain membership of the Co-operative Federation of Victoria(10b) and attend, or be represented, at meetings of the community employment group of the Co-operative Federation of Victoria;
- (b) comply with all the relevant responsibilities of employers and with the requirements of State and Commonwealth legislation and regulations;
- (c) establish and maintain adequate financial records supervised by a qualified accountant.(10c)

4. FUNDING ARRANGEMENTS FOR APPLICANTS TO THE PROGRAMME

In May 1981 the Minister for Employment and Training announced the establishment of the Co-operative Development Programme Funding Committee with responsibility for determining the eligibility for funding applicant Co-operatives under the Programme and recommending to the Minister allocation of funds to such applicants.

The Funding Committee comprised representation from

Ministry of Employment and Training	2
Co-operative Federation of Victoria (including 2 representatives of member Employment Co-operatives)	3
Registrar of Co-operative Societies	1
Small Business Development Corporation	1
Department Labour & Industry	1

In December 1982 representation from the funded Co-operatives sought and were granted a change to the Co-operative Federation of Victoria representation on the Funding Committee.(10d) This is now -

Co-operative Federation of Victoria	1
Community Employment Co-operatives	3
(from a panel of 5 approved nominees)	

The Co-operative Federation is represented by its Executive Officer

Funds allocated to the Programme for the period July 1982 to June 1983 total \$850,000.

To date funding has been in the form of non-repayable grants. The Funding Committee and the Ministry have now agreed some funding should be in the form of loans on concessional terms and some in the form of grants.(10e)

5. THE CO-OPERATIVE BUSINESS ADVISER

In March 1981 a submission was made to the Minister for Employment and Training for a grant of \$37,500 from the Co-operative Development Fund to enable the Co-operative Federation to employ a Co-operative Business Adviser and meet his anticipated cost for 12 months specifically related to Co-operatives funded under the Programme.

In June 1981 the Minister authorised the appointment and \$6,500 was paid to the Federation followed by \$29,500 in August 1981. The duties of the Co-operative Business Adviser were set out by the Minister as being to:

assist community groups to form small business community co-operatives; (10f)

assist co-operatives to identify their needs as business enterprises;

assist co-operatives to establish administrative and financial systems;

facilitate self-sufficiency of co-operatives as business enterprises;

develop training programmes for co-operative staff and members; (10g)

work under the direction of the Executive Officer, Co-operative Federation of Victoria;

liaise with the Ministry Employment and Training as required by the Deputy Director General of that Department.

An appointment was made and the Co-operative Business Adviser commenced duties in July 1981.

In March 1982 approval was given by the Ministry for a grant of \$71,500 to the Federation to cover the C.B.A's expense budget July 1982 to June 1983. Payments towards the grant have been received
\$25,000 7th May 1982
\$25,000 17th Dec. 1982

\$50,000

In approving the 1982/83 expense budget the Minister laid down certain conditions which included the following:

- (1) the funds were to be expended in line with the agreed expense budget;
- (2) that monthly progress reports are to be submitted by the Business Adviser to the Ministry;
- (3) that the activities of the Adviser will be restricted to Co-operatives funded under the Programme unless otherwise authorised by the Ministry;

- (4) that the Adviser will be concerned with business management and advice to funded Co-operatives.

The Co-operative Business Adviser submits written reports to the Ministry and verbal reports to each monthly meeting of the Council of the Co-operative Federation. Formal Income and Expenditure statements of this account are submitted monthly to the Council of the Co-operative Federation and quarterly to the Ministry.

For relationship to total programme see organisation chart at Appendix 'A'.

6. EDUCATION AND TRAINING SERVICES

In March 1981 the Co-operative Federation organised and conducted the first residential workshop for people interested in the concept of Employment Co-operatives. A grant of \$5,000 was provided by the Ministry to cover costs incurred.

In November/December 1981 a business training and education programme, co-ordinated by the Vocational Orientation Centre, R.M.I.T., in consultation with the Co-operative Business Adviser, and funded by the Ministry was held at Whitehorse Technical College, Box Hill.

In June 1982 a Co-operative Education and Training Unit was established comprising two persons selected by a joint Ministry, V.O.C. Committee and the Co-operative Business Adviser. This unit is funded by the Ministry and operates under the auspices of the V.O.C. As part of its operations the unit has responsibility for production and distribution of newsletters for the Programme, participants and others.

To date no machinery for regular reporting on the activities of this unit to the Council of the Co-operative Federation has been set up to enable a considered assessment of performance in meeting needs of funded Co-operatives to be made. Currently discussions are being held with the object of correcting the situation. (10h)

For relationship to total programme see organisation chart at Appendix 'A'. For current report (February 1983) on activities see Appendix 'B'.

7. REPORTING AND FEDERATION ASSESSMENT OF TOTAL PROGRAMME

Each month the Council of the Federation is supplied with verbal reports from the Business Adviser and the Executive Officer as a member of the Funding Committee. In addition an elected member of the Council from the Employment Co-operative members also adds to the two previous mentioned reports on the Development Programme. However, the information, whilst valuable in arriving at relevant decisions, is insufficient for detailed objective assessments of the overall Programme performance to be made. Following discussions between the Federation Chairman and the Deputy Director General of the Ministry arrangements have been proposed for regular written reports to be submitted to the Council by the Ministry giving an overview of action in the Programme. (10i)

8. CONTRIBUTION OF THE FEDERATION TO THE PROGRAMME

For two years - from January 1979 to January 1981 the Federation was the pilot body for development of this type of Co-operative acting on spontaneous enquiries from groups and referrals from the Registry.

It now provides accommodation and back up services for the Co-operative Business Adviser Unit at a nominal cost.

It administers and accounts to the Ministry on disbursements from the Business Adviser Grant.(10j)

It is fully involved in Funding Committee meetings.

It provides resource assistance at Education and Training Unit Workshops.

It provides a forum for increasing Co-operative knowledge, e.g.

1982 Conference discussions and papers on
Industrial Democracy
Work Co-operatives in Farm Production

input from

Co-operative Federation of Australia
Overseas Co-operative experience

9. INDUSTRIAL DEMOCRACY IN ESTABLISHED BUSINESSES

Whilst being still on the periphery of the Programme the Council is conscious of the need for more promotion and development of this concept.(10k)

10. COMMENTS BY THE FEDERATION ON ITS PARTICIPATION AND INVOLVEMENT IN THE PROGRAMME

At the outset it should be stated that the Council of the Federation continues to see the Co-operative Federation of Victoria as the appropriate body to assist the Victorian Government in its programme of promotions and development of Community Employment Co-operatives.

Consideration of matters raised in the preceding paragraphs.

(a) Section 2. Funding available for three years from inception of the Programme.

The Federation has some reservations on the ability of groups with a minimum experience and knowledge of practical business to achieve full viability in three years. However three years should be a long enough period to demonstrate a group's ability to progress towards such a situation.

With almost two years of the three having been completed, the Federation would welcome an indication of proposals on the future of the Programme particularly in so far as new entrants to the Programme are concerned.

(b) Section 3. Condition of funding assistance to include membership of the Co-operative Federation of Victoria.

The development of an informal Association for the interest group is welcomed by the Federation. However, up to date, Co-operatives funded under the programme have incorporated as various types of co-operative which has precluded the formation of an association for this group. Current legislation prevents easy transfer from one type of Co-operative to another. The Co-operative Federation has made submissions to the Legislative Review Committee of the Minister administering the Co-operation Act for this to be changed and the precedent of Co-operative legislation in New South Wales be adopted. In that State a Co-operative can change from one type to another without the expense and delay of winding up and reforming a new Society.

(c) Section 3. Conditions of funding - establish and maintain adequate financial records.

The Federation supports this requirement but considers the condition requires enlarging to include "maintain sound management practice and normal business controls"

The developing practice of some participants in the Programme of management by Workers' Councils with rotating Chairman or chief executive acting alone where all members of the Workers' Councils lack adequate business skills could introduce an unnecessary risk into development of such a unit. However, where such Workers' Councils operate under guidance of professional and skilled management and financial advisers, in addition to any input at the broader level by the Co-operative Business Adviser, and at the same time can be seen to be acquiring the necessary business skills then this newer system of democratic control can be supported. Close supervision of performance is recommended.

(d) Section 4. Funding Committee

In theory the Federation might have some reservation on a one third membership of a funding committee by representatives of Co-operatives actually funded under the Programme.

In practice, the Council, having been advised of the responsible attitudes adopted by such representatives, endorses the current composition of the Funding Committee.

(e) Section 4. Funding by Grant and Loans

From the outset of the Programme the Federation has recommended a system of funding by loans - on concessional terms - as well as grants. The reasons have been given on previous occasions and are on record.

The Council of the Federation welcomes the acceptance of the principle by the Ministry.

The Council is still of the firm opinion that administration of such a loan fund would be more desirable by a non Government Department to be fully accountable to Government. An adequately structured revolving fund with built-in safeguards for protection

and collection of advances by a body such as the Co-operative Federation acting on behalf of the funded Co-operatives would, it is considered, be more flexible and operate more in the interests of the participants with fewer constraints of bureaucratic control.

- (f) Section 5. Duties of Co-operative Business Adviser include "assist community groups to form small business co-operatives"

Council is of the opinion this Ministerial direction might need reconsideration. Council understands the present trend is for more of the industrial type worker producer member Co-operative with fewer passive non-active community members.

The Co-operative Federation is not opposed to this type of development but would welcome an indication of Government's attitude to and proposals for this apparent change in structure and community involvement.

- (g) Section 5. Duties of Co-operative Business Adviser "develop training programmes etc."

With the formation of the Education and Training Unit whose terms of reference are not available to the Council of the Federation this matter will be discussed at (h).

- (h) Section 6. Education and Training Services.

The Minister's formal announcement of the Programme in April 1981 included development of education and training services. Whilst insufficient information on total operations of the Education and Training Unit are available to the Federation, reports to Council from such sources as the Funding Committee indicate there is scope for more specific training to meet the needs of participating Co-operatives directors management and members in business skills. The divided responsibility for these services to funded co-operatives is thought to be a major area requiring review on best use of funds for services needed.

It is considered Education and Training services would be improved by locating the Education and Training Unit alongside the Business Adviser under the auspices of the Co-operative Federation, maintaining ongoing close liaison with the Vocational Orientation Centre.

- (i) Section 7. Monthly reporting on overall programme.

A draft pro forma report considered by the Federation Council as providing relevant information on the overall programme with minimum of updating requirements to enable its submission to monthly meetings of the Council has been proposed to the Ministry. A copy of the draft is attached as Appendix 'C'

- (j) Section 8. Cost to the Federation.

The Co-operative Federation of Victoria is a body voluntarily funded by its members to provide services for them. To date,

charges have not been raised to cover costs of providing services to the Co-operative Development Programme. Participating members under the scheme pay the minimum application fee.

With the increasing amount of time required to be spent in accounting and administration as part of the Federation's role in the Programme, Council considers costs will have to be assessed and charges raised against the Programme.

(k) Section 9. Conversion of existing businesses to a Co-operative Structure with maximum worker equity and participation.

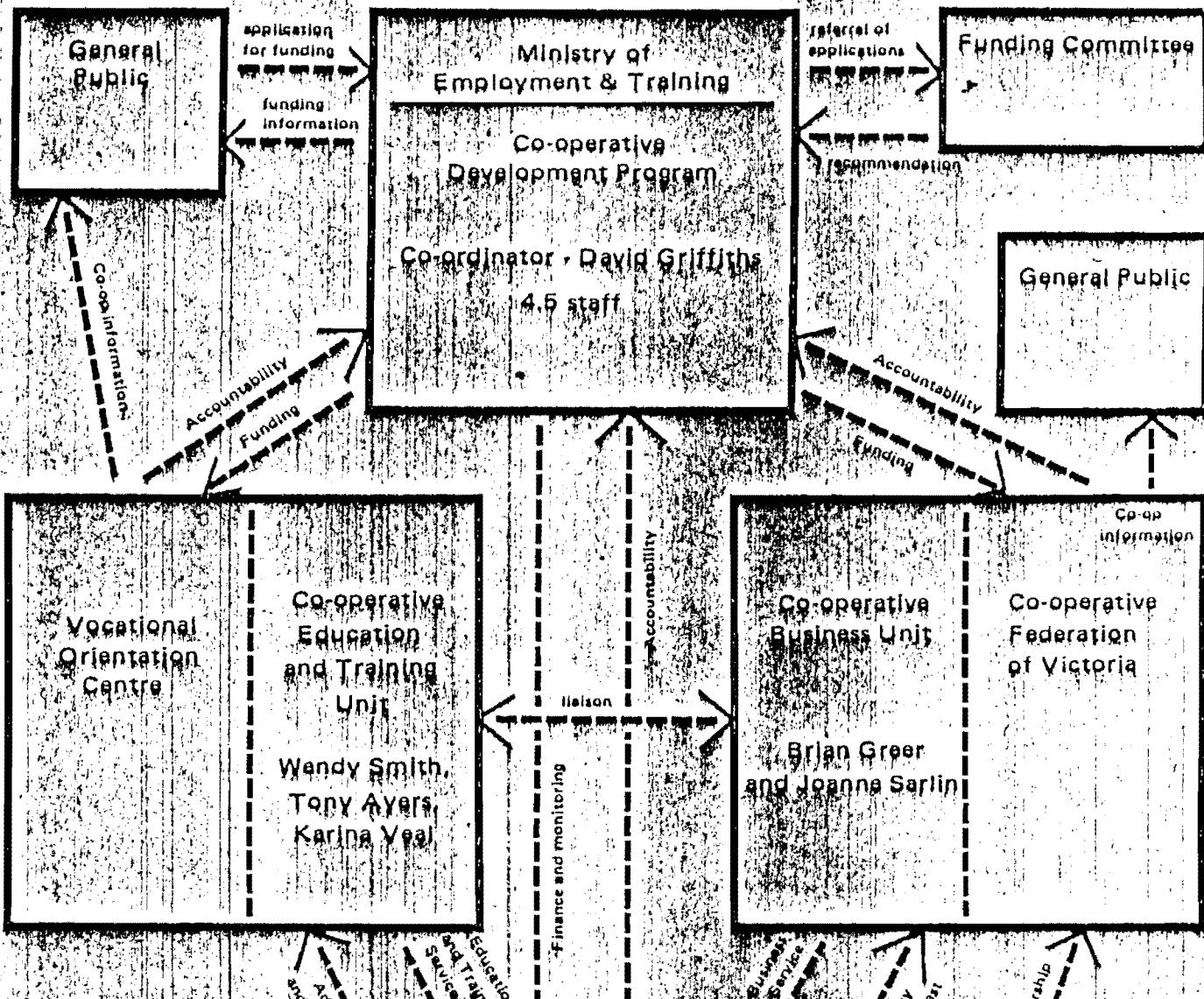
Currently there is no Co-operative legislation under which such Co-operative structured organisations can become incorporated. The Federation Council has made written submissions to the Legislative Review Committee of the Minister administering the Co-operation Act requesting amendment of the Co-operation Act for the establishment of a new Division as per Appendix 'D'. When this has been achieved the Federation would welcome Government proposals for further involvement in this project.

(1) Relationship of Co-operative Business Unit Staff Members of the Co-operative Federation and the Funding Body

Currently the Co-operative Business Adviser, appointed by the Federation to its staff with funds provided by the Programme, acts as Adviser to Co-operatives in the Programme and to the Funding Committee. He therefore works in close conjunction with the Programme Co-ordinators of the Ministry staff and the Chairman of the Funding Committee as well as reporting on actions and receiving directions to and from the employing Council of the Federation. To date conflicts in this division of responsibility have not arisen but Council is of the opinion the situation requires clarification in the best future interests of Government, Federation and all staff involved.

Cooperative Development Program

Organisational Relationships 1982~1983



Co-operatives – both operational and on feasibility funding

EDUCATION AND TRAINING

As co-operative members are aware, the Co-operative Education and Training Unit fulfills many varied functions including: meeting individual and co-operative training needs; organising group training sessions for several co-operatives; co-operative education; publishing the **Co-operative Review**; producing resource posters and displays; producing promotional radio programmes; developing a library collection on co-operatives and organising the co-operatives conference.

In this issue of the **Co-operative Review** we have included a listing of some of the education and training provided for co-operatives by the Education and Training Unit. The Education and Training Unit regularly visits co-operatives to assist in the assessment of training needs and receive training requests. However, don't forget that co-operatives can telephone the Unit at any time to request further assistance with education and training.

BALLARAT EMPLOYMENT CO-OPERATIVE

- Series of workshops about propagation, ecology, land use (February) *

BOOTSTRAP TRADING CO-OPERATIVE

- Attended salespersons salesmeeting at RMIT September
- Attended workshop on aspects of wholesaling at RMIT September
- Attended workshop on aspects of retailing at RMIT September
- Bookkeeping training from consultant October
- Office systems training from consultant November
- Commenced sewing course in Maryborough November
- Orientation to the Co-operative Development Programme for new co-ordinator January

BRUNSWICK WORK CO-OPERATIVE

- Commenced advanced bookkeeping course at Chisholm TAFE College August
- Advanced camera operation workshop from consultant September
- Attended salespersons salesmeeting at RMIT September
- Attended workshop on aspects of wholesaling at RMIT September
- Financial education session for all workers October
- Attended educational session on the Australian economy at RMIT November
- All day educational/planning session for workers, directors and members November
- Attended educational session on co-operatives and social change at RMIT December

CORRECT LINE GRAPHICS

- Commenced advanced bookkeeping course at Chisholm TAFE College August
- Assistance with assessing problems in production planning September
- Advanced camera operation workshop from consultant September
- Workshop in aspects of design principles for printing from consultant December

- Workshop in aspects of colour work preparation from consultant December

FRANKSTON MOTOR CYCLE PARK CO-OPERATIVE

- Commenced first aid course at Dandenong October
- Assistance with enquiries concerning apprenticeships

GOLDFIELDS COMMUNITY RADIO CO-OPERATIVE

- Training workshop for station volunteers December
- Attended Education session on co-operatives and social change December
- Advanced training workshop (February)

HODJA EDUCATIONAL RESOURCES CO-OPERATIVE

- Attended salespersons salesmeeting September
- Attended workshop on aspects of wholesaling at RMIT September
- Attended workshop on aspects of retailing at RMIT September
- Commences computer usage course at CAE (February)
- Session on assessment of manuscripts with reading consultant (February)

ITALO-AUSTRALIAN EMPLOYMENT CO-OPERATIVE

- Commenced advanced bookkeeping course at Chisholm College of TAFE August
- Workshop session on kitchen organisation January
- Training session in specialist cooking January

LOCHARD TRADING CO-OPERATIVE

- Attended salespersons salesmeeting at RMIT September
- Attended workshop on aspects of wholesaling at RMIT September
- Attended educational session on co-operatives and social change December

MULTI PURPOSE CO-OPERATIVE

- Meetings to discuss education and training needs. No action taken since co-operative is not yet operational

OPEN CHANNEL CO-OPERATIVE

- Meetings to formulate education and training plan. Areas of specific need under discussion for action

PUBLIC IMAGES

- Attended salespersons salesmeeting at RMIT September
- Information presented on murals in Australia September
- Financial training sessions with consultant October
- Attended educational session on co-operatives and social change December

SYBYLLA PRESS

- Commenced bookkeeping course at Chisholm College of TAFE August
- Workshop in camera operation with consultant August
- Workshop in principles of graphic design with consultant September
- Attended salespersons salesmeeting September
- Attended workshop on aspects of wholesaling September
- Attended workshop on aspects of retailing September
- Attended educational session on co-operatives and social change December
- Workshop on machine repair and maintenance January
- Information session on aspects of publishing (February)

TURKISH WOMENS CO-OPERATIVE

- Meetings to discuss education and training needs. No action taken since co-operative is not yet operational

WANDERFOOD

- Attended workshop on aspects of retailing at RMIT September
- Commences food handler course at RMIT October
- Commences bookkeeping course (February)
- Commences course in specialist cooking (February)

*Brackets () signify training planned but not yet undertaken.

YOUTH LABOUR MARKET

YOUTH LABOUR MARKET SEMINAR December 6, 1982 A Reflection

A half-day seminar organised by the Vocational Orientation Centre to disseminate information on the youth labour market was held in early December 1982. The main purposes of the seminar were to

- provide access to a new AV resource 'Jobs on the Slide'.
- bring together a wide range of community workers to foster broad based discussion on the issues.
- mount a display of resources — books, articles and videos — on current youth labour market issues.

A wide range of community workers attended from CYSS groups, schools, transition programmes, English language and settlement centres. One of the major benefits of the seminar was the opportunity to meet with a variety of workers and share different perspectives and approaches to the situation.

The programme focussed initially on the AV production 'Jobs on the Slide'. This slide/tape kit details the changes that have occurred in the teenage labour market in the last decade, explores some of the reasons for these changes and addresses some of the policy implications arising from the current situation. Richard Sweet (NSW Dept. of TAFE) who co-produced this AV slide kit and has conducted much research in the area, contributed a statistical update based on the most recent findings.

As can be seen, the picture and prospects for young women proved to be particular-

THE LABOUR FORCE IN AUSTRALIA IN 1982 (SOURCE: ABS)

Unemployment Rates (%)	All Persons	7.0	6.6	7.8
All Males	5.7	5.7	6.7	
All Females	10.0	8.2	8.3	
Married Females	6.1	5.6	5.8	
Not Married Females	13.9	10.8	10.5	
Youth (15-19)	20.2	17.3	17.1	
Males	17.4	15.6	16.3	
Females	24.0	19.3	18.1	
Persons born in Australia	7.1	6.4	—	
Persons born outside Australia	6.9	7.1	—	

ly gloomy. Richard Sweet stressed the urgent need to continue work in expanding the options available to girls if they are to successfully compete with boys for the decreasing number of jobs available. The traditional areas for girls — general office work and retail work — were shown to be ever diminishing or swallowed up by part-time, casual workers, often still at school.

Although the overall picture is not new, the dimension of the problems, the effects, as well the pressing need for a wide range of responses was certainly well articulated. With the 1982 school-leavers now confronting this bleak scene, the problems escalate and intensify further. The Age's recent series on the "Recession Generation" certainly personalises the crisis faced by many young people and reveals a collective air of doubt, anxiety and despair.

Given this context and in the light of

many comments from those attending the December seminar, it is apparent that the complex issues of the labour market decline and our responses to it, demand further analysis and debate.

Another seminar will be run in April this year, focussing more directly on different responses to the situation. It is envisaged that representatives from government sponsored programmes e.g. SYETP, MEAT Employment Initiatives programme, Co-operative Development Programme, Migrant Centres, TAFE transition, etc, as well as spokespeople from local community programmes be invited to attend and that seminar participants have more time to explore and discuss implications of these programs.

Organisation of this seminar is underway. Your ideas, enquiries, resources, would be greatly appreciated. Please contact Jill Blyth at Vocational Orientation Centre, 42 Cardigan St., Carlton. Ph. 347 7611 Ext 256.

MONTHLY PRO FORMA REPORT
EMPLOYMENT CO-OPERATIVE DEVELOPMENT PROGRAMME

	1	2	3	4	5
Co-operatives funded					
Amount provided					etc
Date paid over					
Capital amount					
Operating expense amount					
Feasibility study amount					
Conditions applied					
Date incorporated					
Application of funds					
Staff employed with Programme Assistance					
Full-time					
Part-time					
<u>Brief synoptic report e.g.</u>					
Meeting/not meeting-Conditions of funding					
Meeting/not meeting-Projected budget figures					
Other relevant information					
<u>Educational programmes provided -</u>					
Subject					
Number of participants					
Number of units represented					
Other activities					

N.B. Co-operatives funded (1, 2, 3, etc.) should list individual names of Co-operatives.

SUBMISSION TO MINISTERIAL LEGISLATIVEREVIEW COMMITTEE

To establish new Division to enable Worker-Members of Employment Co-operatives to become Directors and to assist existing businesses convert to Co-operative Societies.

Reason for Proposed Amendment

A growing area of development in the Co-operative sector, in line with Government Programmes, is that of job creation schemes including community employment Co-operatives where worker owner members seek eligibility to become Directors.

The policy of the Victorian Government is also to provide enabling legislation which will permit the conversion of existing businesses to Co-operatives.

Some companies have been taken over by their staff and operate on full democratic lines subscribing to principles of co-operation but are unable to incorporate as Co-operatives due to the current restrictions of Section 103(9) permitting one employee only to be elected to the Board of Directors.

It is proposed the term "Industrial Co-operatives" be used to describe these newer type Societies. However, these fall into two categories -

- (a) Worker based where all members of the Co-operative are workers;
- (b) community based where the membership is a mixture of workers and non-workers.

Currently Employment Co-operatives are registered as various types - Producer, Trading, Community Advancement. This precludes them from forming themselves into an Association to meet common needs although they are in membership of the Co-operative Federation.

Proposed Amendment

Insert New Division:

Part II - Co-operative Societies

Division 6(A)

Worker based or community based Industrial Societies

43.A1. Objects

- (i) To provide employment.
- (ii) To promote worker equity in business enterprise.
- (iii) To promote the development and operation of business enterprises based on the Co-operative Principles of democratic control and equitable distribution of surplus.
- (iv) To undertake farming operations and to purchase or otherwise acquire agricultural machinery, implements, and requisites on behalf of its members.
- (v) To promote, establish, purchase, acquire, operate any trade, profession, service, manufacturing, wholesale, retail, or other business as authorised by its Rules.
- (vi) To promote and carry on any community service.
- (vii) To do all such things calculated to promote the economic and social welfare of members of the society and that community as are prescribed by regulation.

43.A2. Powers

- (i) Raise money or loan for any of the objects of the co-operative;
- (ii) Receive money on deposit;
- (iii) Deposit funds in, borrow from, acquire by purchase or otherwise, shares in any other co-operative society or common ownership enterprise as may be approved by the Registrar;
- (iv) Make advances to its members or other persons against goods or commodities agreed to be sold to the co-operative society;
- (v) Make and enter into arrangements for the provision of insurance for its members.

Members

Section 58 (1) amend to read -

- (i) The members of a society which is formed under this Act shall be the persons who sign the application for membership on the formation of the society, and any other persons who are admitted to membership in accordance with its Rules. In the case of a credit union....or related persons. In the case of a worker based industrial society, where all its members are workers in that society, who may be required to serve a probationary period before becoming eligible for membership.

Appointment of Directors

Section 103 amend to read -

- (a) The Rules of a society other than an industrial society may provide that one employee of that society may be elected at a meeting of the society as a director of that society. The Rules of an industrial society will provide that worker members are eligible for election as directors of such societies.
- 103 (10) An employee shall not be elected as a director of a society other than an industrial society where that election would result....
- 103 (11) A director who is an employee of a society other than an industrial society shall not be eligible....
- 103 (12) In this section 'employee' in relation to a society other than an industrial society....
- 103 (14) An employee of a society other than an industrial society....
- 104 (2) Sub-section (1) does not authorise the election of an employee of a society other than an industrial society as a director....
- 105 (1)(j) If he is or becomes an employee of the society (other than an industrial society), or an employee who is a director pursuant to Rules made under Section 103(G), or he is or becomes employed by a director.